

# COASTAL CONSERVANCY

Staff Recommendation

May 18, 2005

## **SIX RIVERS TO THE SEA: PRICE CREEK RANCH EASEMENT APPRAISAL**

File No. 05-027

Project Manager: Su Corbaley

**RECOMMENDED ACTION:** Authorization to disburse an amount not to exceed \$55,000 to the North Coast Regional Land Trust to conduct an appraisal of a conservation easement on the Price Creek Ranch in Humboldt County.

**LOCATION:** West of Rio Dell, Humboldt County

**PROGRAM CATEGORY:** Integrated Marine and Coastal Resources Enhancement

---

### **EXHIBITS**

Exhibit 1: Project Location and Site Map

Exhibit 2: Six Rivers to the Sea Phase 1 Properties

Exhibit 3: Price Creek Ranch

Exhibit 4: Letters of Support

---

### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$55,000 to the North Coast Regional Land Trust (“NRLT”) to conduct an appraisal for a proposed conservation easement on the Price Creek Ranch in Humboldt County (Assessor’s Parcel Numbers (APN) 102-101-001, 106-161-011, 106-161-012, 106-161-013, 106-171-001, and 106-171-003) as depicted in Exhibit 1 of the accompanying staff recommendation. This authorization is subject to the condition that, prior to the disbursement of any Conservancy funds the NRLT shall submit for review and written approval of the Executive Officer of the Conservancy the final appraisal specifications, a work plan, budget, and schedule for the project and the names and qualifications of any contractors to be employed to carry out the work plan.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with the purposes and criteria of Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220) regarding protection of coastal resources.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The North Coast Regional Land Trust is a nonprofit organization existing under Section 501 (c)(3) of the Internal Revenue Service Code, whose purposes are consistent with Division 21 of the Public Resources Code.”

---

**PROJECT SUMMARY:**

Disbursement of up to \$55,000 (fifty-five thousand dollars) to the North Coast Regional Land Trust will enable the Land Trust (“NRLT”) to obtain a fair-market-value appraisal of the proposed Price Creek Ranch conservation easement. The property is located in an area of Humboldt County at high risk of subdivision of large tracts of land in response to increasing demand for residential development, or for conversion from their current timber and rangelands functions to other, more intensive production. The appraisal will initiate the acquisition process, and leverage other interested funding partners.

The proposed Price Creek Ranch conservation easement is expected to result in productive, sustainable forestlands of increasing volume, preserve the grazing land productivity and protect the associated scenic and open space characteristics of the grazing land, and protect riparian corridors and habitat, particularly, salmonid habitat. The proposed easement is expected to include provisions to result in increased volume, over time, of the forestlands; prohibit subdivision; limit onsite mineral exploration/extraction to onsite uses only; prohibit the establishment of certain commercial facilities; allow certain onsite value-added activities that rely on onsite resources; prohibit dumping except for nonhazardous wastes generated by normal ranching and forestry operations; control the construction and placement of new and replacement structures; control the number and placement of newly constructed roads, prohibit the off-road use of vehicles except as necessary for ranching and forest management activities, and limit development of water resources to those necessary for ranching and forest management activities.

It is anticipated that NRLT or other public entity or nonprofit partners will request Conservancy funding assistance for the easement acquisition upon completion and approval of the appraisal.

The acquisition of an easement on the Price Creek Ranch is one of five projects in development under Phase I of the “Six Rivers to the Sea” program, a landscape-scale land-conservation program, which, through the development of conservation easements on working agricultural and timber lands, is designed to protect and preserve the scenic and natural habitat resource values of the north coast while continuing the north coast’s culture and tradition of working, sustainable, lands. The five properties under consideration in Phase I of the Six Rivers to the Sea program constitute nearly 10,000 acres that would be protected and would expand the corridor of

protected lands from the Six Rivers National Forest to the Pacific Coast. If acquired, the Price Creek Ranch easement would constitute 1240 acres of additional protected land in the Lower Eel River watershed. See Exhibit 2 for Phase I property locations in relation to currently protected land in Humboldt County.

The program includes willing landowners interested in realizing the goals of long-term sustainability and long-term protection of the regional working landscape heritage. The landowners involved recognize the essential connection between changes in land use in the region and the disturbance of their economic viability and cultural sense, and are interested in working toward preservation goals, including: maintaining their large properties as single contiguous ownerships; continuing the active and sustainable management of their properties; correcting management mistakes of the past and restoring portions of their properties that have lost, or are at threat of losing, their productive functions.

Agriculture and timber production on private land have a long history in Humboldt County, and indeed, are what constitute a large portion of the county's heritage – one generation passing to the next the working lands that have sustained each preceding generation. However, the very existence of these working lands, the families that operate them, and the traditions that are built there, are under extreme pressure for conversion to non-agriculture and non-timber uses due to the costs of maintaining and operating the land, and the pressure to subdivide for residential uses. Real estate prices in Humboldt County are still considered reasonable, when compared to other areas of California, and the demand for large tracts of residential land from people relocating from other parts of the state continues to rise. Placing large tracts of land under conservation easements will preserve the rural and scenic setting of Humboldt County, provide the means to improve and maintain the working agricultural and timber lands, and protect the natural resources critical to enhancing and preserving coastal resources. The Six Rivers to the Sea project area is threatened now. Since 1993, at least 10 extensive forest or ranch ownerships have been subdivided in Humboldt County, and of the 5 ranch/forest tracts participating in Six Rivers to the Sea, all have received offers from developers within the last 2 years. Every tract has a developed subdivision within three miles of its boundary.

NRLT is a 501(c)(3) organization whose primary purpose is the protection of working landscapes, farms, forests and grazing lands and the preservation and protection of land for its natural, educational, scenic and historic values.

**Site Description:** The Price Creek Ranch is located seven miles west of Rio Dell and five miles southwest of Fortuna in Humboldt County (Exhibit 1). The 1280-acre property is comprised of 512 acres of Douglas fir forest, 763 acres of open grazing land, and 5 acres of ponds (Exhibit 3). The ranch contains approximately 9 miles of perennial streams including two miles of Price Creek salmonid spawning gradients and one half mile of Sweet Creek spawning gradients. Sweet Creek is a tributary to Price Creek; Price Creek is the first anadromous salmonid bearing tributary from the ocean on the Eel River. Additionally, Muddy Creek, which empties into Price Creek at the southern boundary of the ranch, provides steelhead-spawning grounds.

**Project History:** The concept of an easement on the Price Creek Ranch resulted from another Conservancy project – the Howe Creek Ranch Conservation Easement, authorized by the Conservancy in June 2002. The Howe Creek Ranch abuts the Price Creek Ranch, and both have similar agricultural, timber and natural resource values important to coastal resources. Price Creek, with much of its headwaters on the Price Creek Ranch, crosses the Howe Creek Ranch

prior to discharging to the Eel River. Protecting the resources on the Price Creek Ranch will further the enhancement efforts for the Lower Eel River watershed, which supports Steelhead trout and Coho salmon.

The Price Creek Ranch landowners have worked with NRLT for over two years to develop a conservation easement and conservation plan that will protect the property in perpetuity through specific land use practices and restrictions, and infrastructure improvements. In April 2003, the Conservancy was approached to collaborate on the Six Rivers to the Sea Program and pursue partnering opportunities. NRLT and landowner representatives have for over two years sought funding from the Federal Forest Legacy Program for acquisition of key working lands in Humboldt County, including the Price Creek Ranch. The Six Rivers to the Sea Program received a Federal appropriation in the 2005 federal fiscal budget for partial funding of acquisition Phase I properties, also including the Price Creek Ranch. However, in order to leverage the Forest Legacy funding for easements on the maximum number of Phase I properties, the Conservancy proposes to provide for the cost of the appraisal on the Price Creek Ranch in order to initiate the acquisition process.

**PROJECT FINANCING:**

Coastal Conservancy	\$55,000
Humboldt County	<u>5,000</u>
<b>Total Project Cost</b>	<b>\$60,000</b>
<i>Total Conservancy Contribution</i>	<i>\$55,000</i>

NRLT has applied for a grant of \$5,000 from the County of Humboldt's Recreation and Conservation Easement Program, which can provide funds for non-County initiated projects that include easements over agricultural lands.

The expected source for the Conservancy funds for this project is the fiscal year 2002-2003 appropriation from Proposition 40, the "California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002". The Proposition 40 funds proposed for use were appropriated to the Conservancy under the Watershed, Clean Beaches and Water Quality Act (AB 2534), AB 2534 added Chapter 5.5 to the Conservancy's enabling legislation (Public Resources Code § 31220) and appropriated funds from Proposition 40 to the Conservancy to carry out projects that are described under Section 31220. As discussed below, authorized projects under Section 31220 include those that, like the proposed project, serve to protect spawning resources for coastal salmonids by improving the water quality of the coastal watersheds. In addition, the proposed project is appropriate for Proposition 40 grant funding priority, since it includes a commitment of matching funds (Public Resources Code §5096.651).

**CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:**

This project would be undertaken pursuant to Chapter 5.5 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection.

Consistent with Public Resources Code Section 31220, the Conservancy has consulted with the State Water Resources Control Board in the development of this grant to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code. Under Section 31220, the Conservancy may award grants for coastal watershed restoration projects that meet any of the objectives specified in subsection (b) of that section. Consistent with Section 31220(b), the proposed project will assist in moving forward a program to (1) restore fish and wildlife habitat within coastal waters and coastal watersheds by promoting regeneration of a sustainable Douglas Fir forest on the property including the riparian canopy on tributaries to the Eel River, an important coastal resource for salmonids; (2) reduce threats to coastal and marine fish by providing habitat that will foster population successes; (3) reduce unnatural erosion and sedimentation of coastal watersheds through reestablishing a healthy forest-stock, employing best management practices for grazing, and continuing work on the property to enhance riparian habitat for anadromous fish, to decommission roads or to move road beds to more appropriate locations; and (4) acquire and protect riparian areas and sensitive watershed lands draining to sensitive coastal areas. As required by Section 31220(c) the easement, when acquired, will include a monitoring and evaluation component through easement monitoring by the NRLT. Finally, as required by Section 31220(c), the project is consistent with state and regional watershed planning as described below under “Consistency with Local Watershed Management Plan/State Water Quality Control Plan”.

**CONSISTENCY WITH CONSERVANCY'S  
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 4, Objective A**, the proposed project will lead to the acquisition of a conservation easement interest on 1280 acres of significant coastal resource property that would result in the expansion of a block of habitat and wildlife corridors by connecting with existing protected lands, as well as the preservation of scenic vistas and agricultural lands near the expanding urban area of the Arcata-Eureka-Fortuna corridor in Humboldt County.

Consistent with **Goal 5, Objective A**, the proposed project will result in the preservation and enhancement of biological diversity in a coastal area through the acquisition of a conservation easement on 1280 acres of timber and rangeland that will be managed to increase the forest cover, preserve that rangeland and soils, thereby improving riparian corridors for anadromous salmonids.

Consistent with **Goal 5, Objective B**, the proposed project will lead to the acquisition of 1280 acres of core coastal habitat through the preservation of key spawning areas for Coho salmon and Steelhead trout on the first fish bearing tributary up the Eel River from the ocean. Further, the proposed project will enable the acquisition of habitat adjacent to protected properties to create large contiguous habitat corridors.

Consistent with **Goal 6, Objective A**, the proposed project will assist in providing improved habitat for anadromous fish through the protection of riparian corridors critical to anadromous salmonids in the Lower Eel River watershed. Salmonids utilize Price Creek for spawning; juvenile salmonids utilize the systems as summer and winter habitat before returning to the coastal waters.

## **CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

### **Required Criteria**

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The Six Rivers to the Sea Program has wide support, including that from the Natural Resources Conservation Service, the U.S. Forest Service, and the California Department of Fish and Game. Specifically, the acquisition of a conservation easement on the Price Creek Ranch is supported by California Senator Wes Chesbro, California State Assemblymember Patty Berg, and Humboldt County Supervisor Jimmy Smith. See Exhibit 4 for letters of support for the Price Creek easement appraisal.
4. **Location:** Price Creek, the first stream up the Eel River from the ocean, discharges to the Eel River at a point less than one-half mile from the coastal zone. Therefore the quality of water from Price Creek has a direct impact to the habitat quality of the Eel River estuary within the coastal zone. In addition, the habitat improvements on Price Creek also directly affect the health of the coastal salmon that use the Eel River and its tributaries for spawning.
5. **Need:** The Six Rivers to the Sea program has received Federal and State Forest Legacy funding for the acquisition of the Price Creek Conservation Easement, and is anticipated to receive additional funding from the Wildlife Conservation Board. However, the project cannot proceed until an appraisal is prepared and approved, and the opportunity to complete the project in 2005 would be lost. Conservancy authorization to provide an appraisal will enable the acquisition to be completed in 2005.
6. **Greater-than-local interest:** Many people are drawn to Humboldt County, as visitors and residents, alike, for its beauty of open space and rural ambience, and its history of "tall timber and wild and rugged ranching". Preserving the landscape that established that history is critical to maintaining the appeal for people across the nation, as well as to supporting the regional economy of the small rancher and timber operator.

### **Additional Criteria**

7. **Urgency:** The acquisition of the conservation easement cannot proceed until an appraisal is completed and approved. However, neither the grantee nor the property owner has resources available to prepare an appraisal. Conservancy funding the appraisal will accomplish this critical step in the process and facilitate the acquisition occurring in 2005.
13. **Realization of prior Conservancy goals:** See "Project History" above.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The Humboldt County Local Coastal Plan, Eel River Area (LCP) discusses land use for this region of Humboldt County. Several sections of the LCP relevant to this project are as follows.

Section 3.35 identifies the compatible uses for commercial timberlands as including watershed management (3.35B.1.a) and management for fish and wildlife habitat (3.35B.1.b). The conservation easement on Price Creek Ranch will include management of watershed resources and fish and wildlife habitat by promoting increased forest cover and rangeland soil retention, and through implementation of a ranch conservation to promote these values.

Section 3.41.A.1.e identifies as environmentally sensitive areas critical habitats for rare or endangered species on state or federal lists. The listed species Coho salmon and Steelhead trout inhabit and spawn in Price Creek.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/  
STATE WATER QUALITY CONTROL PLAN:**

Section 2.5 of the North Coast Regional Watershed Initiative Chapter (North Coast Regional Water Quality Control Board *Feb. 2005*) of the State Water Planning Strategic Plan, discusses the Eel River Watershed and lists four watershed management goals and activities, including, as Goal 1, the protection and enhancement of salmonid habitat. It specifically addresses the issue of sedimentation, stating that logging roads and decreasing canopy of Eel River tributaries are concerns due to increased runoff and delivery of sediment to local water bodies and increase in temperatures to spawning and rearing stream reaches. The Chapter recommends developing strategies for erosion prevention and reduction of sedimentation to support implementation of the TMDL process. The water board has published TMDLs for turbidity and temperature for the Eel River. The proposed project is consistent with the above plan in that it will address compliance with Eel River TMDLs for sediment deposition and temperature by restoring the health of the watershed through promoting increased, sustainable, Douglas Fir forest stands.

**COMPLIANCE WITH CEQA:** This project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) Section 152306. The North Coast Regional Land Trust will conduct a property appraisal to establish fair market value for a conservation easement on the Price Creek Ranch in Humboldt County. Section 15306 exempts from CEQA review projects that involve information collection, research, experimental management, and resource evaluation activities which does not result in a disturbance to an environmental resource and which is strictly for information gathering purposes leading to an action which a public agency has not yet approved, adopted, or funded. only planning for future actions that have not been approved, adopted, or funded. At present, the Conservancy only proposes to fund the appraisal and has neither approved nor committed to funding the future acquisition of the conservation easement.

Alternatively, even viewing the appraisal of the property as an initial step towards eventual acquisition of the Price Creek Ranch conservation easement, it would nonetheless be categorically exempt from CEQA review under 14 California Code of Regulations Section 15325, since it involves the transfer of an interest in land for the purpose of preserving open space, habitat and existing agricultural use.

Staff will file a Notice of Exemption upon approval of this project.